

Attachment D

Affiliated Companies of Applicant

The following affiliated companies of Applicant are involved in retail sales or purchases to customers in North America:

Dynegy Power Marketing, Inc.
1000 Louisiana Street, Suite 5800
Houston Texas, 70002

Dynegy Marketing and Trade
1000 Louisiana Street, Suite 5800
Houston Texas, 70002

Illinois Power Energy, Inc.
1000 Louisiana Street, Suite 5800
Houston Texas, 70002

Dynegy Midwest Generation, Inc
1000 Louisiana Street, Suite 5800
Houston Texas, 70002

Dynegy Energy Marketing, L.P.
1000 Louisiana Street, Suite 5800
Houston Texas, 70002

Nicor Energy, L.L.C.
1001 Warrenville Road, Suite 550
Lisle, IL 60532-4306

Illinois Power Company
500 South 27th Street
Decatur, IL 62521-2200

SERVICES & FACILITIES AGREEMENT

Dated as of June 27, 2000

Among

Dynegy Inc.

Illinois Power Company

and

Each of the Entities Identified on Exhibit A Hereto

TABLE OF CONTENTS

ARTICLE I

<u>Definitions and Interpretation</u>	1
Section 1.1. <i>Definitions</i>	1
Section 1.2. <i>Purpose and Intent; Interpretation</i>	2

ARTICLE II

<u>Use of Facilities and Services</u>	3
Section 2.1. <i>Facilities</i>	3
Section 2.2. <i>Services</i>	4
Section 2.3. <i>Joint Purchasing</i>	5
Section 2.4. <i>Income Taxes</i>	6
Section 2.5. <i>Agreements, Etc.</i>	6
Section 2.6. <i>Miscellaneous Administrative Activities</i>	6

ARTICLE III

<u>Asset Sales</u>	6
Section 3.1. <i>Real Property Transfers</i>	6
Section 3.2. <i>Tangible Personal Property</i>	6
Section 3.3. <i>Intangible Assets</i>	7
Section 3.4. <i>Dynegy Stock</i>	7
Section 3.5. <i>Agreements, Etc.</i>	7

ARTICLE IV

<u>Charges: Payment</u>	7
Section 4.1. <i>Charges</i>	7
Section 4.2. <i>Accounting</i>	8
Section 4.3. <i>Invoicing, Payment</i>	8

ARTICLE V

<u>Cost Apportionment Methodology</u>	9
Section 5.1. <i>General Principles</i>	9
Section 5.2. <i>Fully Distributed Costs</i>	10
Section 5.3. <i>Dynegy Administrative and General Costs</i>	11

ARTICLE VI

<u>Limitations of Liability</u>	12
Section 6.1. <i>No Warranties For Facilities or Services</i>	12
Section 6.2. <i>Limited Warranties For Asset Sales</i>	12
Section 6.3. <i>No Partnership</i>	13
Section 6.4. <i>No Third Party Beneficiaries</i>	13

ARTICLE VII	
<u>Termination</u>	13

ARTICLE VIII	
<u>Confidential Information</u>	13

ARTICLE IX	
<u>Miscellaneous</u>	14
Section 9.1. <i>Entire Agreement; Amendments</i>	14
Section 9.2. <i>New Parties</i>	14
Section 9.3. <i>Assignment</i>	14
Section 9.4. <i>Access to Records</i>	14
Section 9.5. <i>Partial Invalidity</i>	15
Section 9.6. <i>Waiver</i>	15
Section 9.7. <i>Governing Law</i>	15

SERVICES & FACILITIES AGREEMENT

THIS SERVICES & FACILITIES AGREEMENT (this "Agreement") is made and entered into as of the ____ day of _____, 2000, among Dynegy Inc. ("Dynegy") (on Dynegy's behalf and on behalf of any current or future subsidiaries of Dynegy), Illinois Power Company, an Illinois corporation ("IPC"), and each of the entities identified on Exhibit A hereto (on each such entity's own behalf and on behalf of any current or future subsidiaries of such entities), as such Exhibit A may be amended from time to time in accordance with the provisions of this Agreement.

WITNESSETH:

WHEREAS, the Parties are related by virtue of common ownership, directly or indirectly, of their equity securities by Dynegy; and

WHEREAS, the Parties believe that the central management of certain services, the provision to each other of certain services and facilities, and the transfer of certain property are or may be efficient and cost-effective, and the Parties desire to make provision for these and other transactions as between IPC and a Dynegy Entity or Entities;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants contained herein, the Parties hereby agree as follows:

ARTICLE I Definitions and Interpretation

Section 1.1. *Definitions.* As used in this Agreement, the following terms shall have the respective meanings set forth below unless the context otherwise requires:

"*Acquiring Party*" means a Party who desires to acquire real property, interests in real property, tangible personal property or Intangible Assets from a Selling Party.

"*ICC*" means the Illinois Commerce Commission.

"*Dynegy Entity*" means any of Dynegy and the entities identified on Exhibit A, including any current or future subsidiaries of such entities.

"*Intangible Assets*" means, for the purposes of this Agreement, items for which costs have been incurred to create future economic benefits that have not been recorded as assets on the Selling Party's financial statements. Intangible Assets include, but are not limited to, operational activities or intellectual property derived from internal research and development efforts.

"Party" means each, and "Parties" means all of the entities who are from time to time a party to this Agreement.

"Provider" means a Party who has been requested to, and who is able and willing to, furnish facilities, provide services or both to a Requestor under the terms of this Agreement.

"Requestor" means a Party who desires to use facilities, receive services or both, and has requested another Party to furnish such facilities, provide such services or both.

"Selling Party" means a Party who is willing to sell and transfer real property, interests in real property, tangible personal property or Intangible Assets to an Acquiring Party.

Section 1.2. *Purpose and Intent; Interpretation.* This Agreement shall be interpreted in accordance with the purposes and intent set forth in Sections 1.2(a), 1.2(b), 1.2(c) and 1.2(d).

(a) The purposes and intent of this Agreement are to set forth procedures and policies to govern (i) transactions between a Dynegy Entity and IPC, whether such transactions occur directly or indirectly as the end result of a series of related transactions and (ii) the allocation of certain joint service costs. It is not intended to govern transactions between Dynegy Entities except to the extent required by the ICC's non-discrimination rules, 83 Ill. Admin. Code Part 450 (as amended from time to time).

(b) Any transactions between a Dynegy Entity in competition with ARES (defined as an IPC affiliated interest in competition with ARES as that term is defined in 83 Ill. Admin. Code § 450.10 (as amended from time to time)) and Dynegy or any other Dynegy Entity shall be on whatever terms and conditions the Parties agree to, *except that* if IPC provided some or all of the facilities and services to Dynegy or the Dynegy Entity(ies), then the pricing of those facilities and services shall be at the same price as if IPC had directly provided the facilities and services. Furthermore, this Agreement is not intended to cover transactions among Dynegy Entities unless (i) one of the parties to the transaction is IPC, or (ii) the preceding sentence requires the application of this Agreement.

(c) Notwithstanding anything else in this Agreement, any Parties may participate in a transaction (which would otherwise be subject to this Agreement but without regard to otherwise following this Agreement) if such transaction is permitted by any law or regulation provided the transaction meets the requirements of the applicable law or regulation.

(d) The headings of Articles and Sections contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. References to Articles, Sections and Exhibits refer to articles, sections and exhibits of this Agreement unless otherwise stated. Words such as "herein", "hereinafter", "hereof", "hereto", "hereby" and "hereunder", and words of like import, unless the context requires otherwise, refer to this Agreement (including the Exhibit hereto).

ARTICLE II

Use of Facilities and Services

Section 2.1. *Facilities.* Upon the terms and subject to the conditions of this Agreement, a Requestor may request a Provider or Providers to make available or provide, and, subject to the provisos at the end of this Section, such Provider or Providers shall make available or provide to such Requestor, the use of facilities, which include, but are not limited to, the following:

(a) facilities, including, without limitation, office space, warehouse and storage space, transportation facilities (including, without limitation dock and port facilities, rail sidings and truck facilities), repair facilities, manufacturing and production facilities, fixtures and office furniture and equipment;

(b) computer equipment (both stand-alone and mainframe), peripheral devices, storage media, and software;

(c) voice and data network equipment including, without limitation, dedicated circuits and private lines, network switching equipment, voice response and call routing equipment, and various network connectivity equipment;

(d) communications equipment, including, without limitation, audio and video equipment, radio equipment, pagers, modems and telephones, telephone switching equipment and telecommunications equipment.

(e) vehicles, including, without limitation, automobiles, trucks, vans, trailers, railcars, marine vessels, aircraft, transport equipment, material handling equipment and construction equipment;

(f) machinery, equipment, tools, parts and supplies;

provided, however, that a Provider shall have no obligation to provide any of the foregoing to the extent that such item or items are not available (either because such Provider does not

possess the item or the item is otherwise being used); and *provided further*, it is understood that a Provider has sole discretion in scheduling the use by a Requestor of facilities, equipment or capabilities so as to avoid interference with such Provider's operations, subject to the Provider meeting all agreed commitments to the Requestor; and *provided further* that it is understood that if the provider is IPC, sufficient prudent and necessary review has been undertaken to assure that the transfer will not impair the ability of IPC to deliver safe, reliable, least cost power to customers.

Section 2.2. *Services.* Upon the terms and subject to the conditions of this Agreement, a Requestor may request a Provider or Providers to provide, and, subject to the provisos at the end of this Section, such Provider or Providers shall provide to such Requestor services, which include, but are not limited to the following:

(a) Financial, regulatory and legal services, including, without limitation, accounting (including, without limitation, bookkeeping, billing, accounts receivable administration, accounts payable administration, and financial reporting); auditing; executive; finance; insurance; investment advisory services; corporate forecasting; corporate budgeting; investor relations; shareholder services; claims administration; regulatory services; corporate credit and risk administration; tax; treasury; and other similar services;

(b) personnel services, including, without limitation, recruiting; staffing, training and evaluation services; payroll processing; fitness for duty testing; compensation policy and administration; employee benefits administration and processing; labor negotiations and management; employee safety and health program administration; employee development and training; employee program development and administration; and related personnel services;

(c) purchasing services, including, without limitation, preparation and analysis of product specifications; requests for proposals and similar solicitations; vendor and vendor-product evaluations; purchase order and invoice processing; processing and support of employee expense accounts; investment recovery processing; receipt, handling, warehousing and distribution of equipment and purchased items; contract negotiation and administration; inventory management and disbursement; and other similar services;

(d) information technology services, including, without limitation, application development and support; data center operation and technical support; disaster recovery testing and support; customer bill processing; information technology problem resolution; PC and local server support; centralized server operation and support; wide area network operations and support; local area network operation and

support; telephone switch and central equipment operation and support; voice usage; billing and equipment operation and support; and other similar services;

(e) administrative services, including, without limitation, mailing and mail deliveries; corporate records, archives, microfilm and library operation and support; printing services; graphic arts; building maintenance; vehicle and fleet maintenance and support; building security administration; furniture moves and changes; secretarial and general office support; and other similar services;

(f) technical, engineering, research and consulting services, including, without limitation, drafting, technical specification development, construction, design, project management, testing and maintenance of equipment; information request processing; administration of EPRI budget and technology partnership projects; corporate environmental issues management; air and water environmental consulting; environmental compliance management; environmental lab and operations support; marketing research; regulatory consulting; competitive analysis; and other similar services;

(g) public affairs services, including, without limitation, corporate contributions; corporate memberships; corporate advertising; government relations; lobbying; corporate communication; corporate advertising; video and graphic products services; and other similar services;

provided, however, that a Provider shall have no obligation to provide any of the foregoing to the extent that it is not capable of providing such service (either because such provider does not have personnel capable of providing the requested service or the service is otherwise being used); and *provided further*, it is understood that a Provider has sole discretion in scheduling the use by a Requestor of services so as to avoid interference with such Provider's operations, subject to the Provider meeting all agreed commitments to the Requestor; and *provided further* that it is understood that if the provider is IPC, sufficient prudent and necessary review has been undertaken to assure that the transfer will not impair the ability of IPC to deliver safe, reliable, least cost power to customers.

Section 2.3. Joint Purchasing. A Party may also request that another Party or Parties enter into arrangements to effect the joint purchase of goods or services from third parties; *provided, however*, that if IPC is so requested to enter into or to participate in such arrangements, it shall do so only if its fully distributed cost for such goods or services is not thereby increased; and *provided further*, that no Party shall be required to purchase a service which it is otherwise capable of providing or obtaining. In the event that any such arrangements are established, one Party may be designated as, or serve as, agent for the other Parties to the arrangement and may

administer the arrangement (including billing and collecting amounts due the vendor(s)) for the other Parties.

Section 2.4. *Income Taxes.* State and federal income taxes shall be allocated among all Parties included in Dynegy's consolidated tax return. Each Party shall be allocated an amount of tax, positive or negative, commensurate with the portion of the consolidated return tax caused or avoided by items of income and deduction and the credits applicable to such Party. Estimated tax payments shall be allocated in the same manner.

Section 2.5. *Agreements, Etc.* A Provider and Requestor may evidence their agreement with respect to the availability, provision or use of the facilities, services and activities described in this Article II by entering into an agreement, lease, license or other written memorandum or evidence; *provided* such agreement, lease, license or other written memorandum or evidence shall not contain terms inconsistent with this Agreement; and *further provided* that this Section 2.5 shall not be deemed to require any such agreement, lease, license or other written memorandum or evidence.

Section 2.6. *Miscellaneous Administrative Activities.* In the event that a Dynegy affiliate pays an invoice on behalf of IPC it will charge IPC the actual amount due from IPC pursuant to Article V, and such amount will be settled within 30 days without interest. In the event a Dynegy affiliate receives amounts partially allocable to IPC, such amounts will be settled within 30 days without interest.

ARTICLE III

Asset Sales

Section 3.1. *Real Property Transfers.* Upon the terms and subject to the conditions of this Agreement, an Acquiring Party may purchase from a Selling Party, and the Selling Party may sell to the Acquiring Party, real property or interests in real property; *provided, however*, that the value of the real property or interests in the real property proposed to be transferred (as such value is determined in accordance with Section 5.1(a)) shall not exceed \$5,000,000 without approval of the specific transaction by the ICC.

Section 3.2. *Tangible Personal Property.* Upon the terms and subject to the conditions of this Agreement, an Acquiring Party may purchase from a Selling Party, and the Selling Party may sell to the Acquiring Party, tangible personal property; *provided, however*, that the value of the tangible personal property proposed to be transferred (as such value is determined in accordance with Section 5.1(a)) shall not exceed \$5,000,000 without approval of the specific transaction by the ICC (it being understood that the foregoing limitation shall not apply to the transfer of tangible personal property by or to IPC which is not necessary or useful to IPC in the performance of its duties to the public); and *provided further*, that this Section 3.2 shall not apply

to joint purchasing arrangements (and the transactions thereunder) entered into pursuant to Section 2.3 of this Agreement.

Section 3.3. *Intangible Assets.* Upon the terms and subject to the conditions of this Agreement, an Acquiring Party may purchase from a Selling Party, and the Selling Party may sell to the Acquiring Party, Intangible Assets; *provided, however*, that the value of the Intangible Assets proposed to be transferred (as such value is determined in accordance with Section 5.1(c)) shall not exceed \$5,000,000 without approval of the specific transaction by the ICC; and *provided further*, that this Section 3.3 shall not apply to joint purchasing arrangements (and the transactions thereunder) entered into pursuant to Section 2.3 of this Agreement.

Section 3.4. *Dynegy Stock.* Upon the terms and subject to the conditions of this Agreement, Dynegy may issue and sell to IPC shares of Dynegy's Common Stock for the sole purpose of enabling IPC to meet its obligations to its directors and employees in respect of compensation (it being understood that IPC would cause any shares so purchased and received to be reissued to such directors or employees in payment of such compensation obligations).

Section 3.5. *Agreements, Etc.* An Acquiring Party and a Selling Party may evidence their agreement with respect to the sale of real property, tangible personal property and/or intangible assets described in Sections 3.1, 3.2 or 3.3 by entering into an agreement or other written memorandum or evidence; *provided* such agreement or other written memorandum or evidence shall not contain terms inconsistent with this Agreement; and *further provided* that this Section 3.5 shall not be deemed to require any such agreement or other written memorandum or evidence.

ARTICLE IV Charges: Payment

Section 4.1. *Charges.* (a) Charges for the use of facilities, equipment, capabilities or services under Sections 2.1 and 2.2 shall be determined in accordance with Section 5.1(b); charges for assets sold and transferred under Sections 3.1 and 3.2 shall be determined in accordance with the provisions of Section 5.1(a); charges for assets sold and transferred under Section 3.3 shall be determined in accordance with the provisions of Section 5.1(c); and charges for sales of Dynegy stock sold to IPC under the provisions of Section 3.4 shall be determined in accordance with Section 5.1(d). By requesting the use of facilities, equipment, capabilities and/or services, a Requestor shall be deemed to have agreed to pay, and shall pay, to the Provider or Providers the charge determined therefor in accordance with Section 5.1(b). By acquiring real property, interests therein, tangible personal property or Intangible Assets in accordance with the provisions of Article III, an Acquiring Party shall be deemed to have agreed to pay, and shall pay, to the Selling Party the charge determined therefor in accordance with Section 5.1(a) or, in the case of Intangible Assets, Section 5.1(c).

(b) Any applicable sales or use tax payable on a joint purchase shall be allocated to the purchasers by applying the statutory basis to the joint purchasers' shares of the purchase cost.

Section 4.2. *Accounting.* Each Party shall maintain adequate books and records with respect to the transactions subject to this Agreement and shall establish unique account numbers in its general ledger system which shall be used to record the costs to be apportioned to the other Parties. Each Party shall be responsible for maintaining internal controls to ensure the costs associated with transactions covered by this Agreement are properly allocated and billed in accordance with the terms and provisions of this Agreement.

Section 4.3. *Invoicing, Payment.* Invoicing and payment for the facilities and services specified in Article II, the asset sales specified in Article III or the joint services costs specified in Section 5.3(a) shall be as follows:

(a) for the use of facilities, equipment or capabilities specified in Section 2.1 or the provision of services specified in Section 2.2, a Provider shall invoice the Requestor on a monthly basis as provided in Section 4.1(a);

(b) for joint purchasing arrangements specified in Section 2.3, invoices will be payable according to the terms set by the vendor(s) providing the purchased goods or services, or if a Party has been selected to administer such arrangement, pursuant to invoices rendered by such Party;

(c) for the tax allocation arrangement specified in Section 2.4, Dynegy shall bill each subsidiary for its share of each tax payment at the time the tax payment is made. Upon the filing of the tax return, the tax owed by each subsidiary shall be reduced by its estimated tax payments and it shall be billed for any excess owed or receive a refund from Dynegy for any credit due;

(e) for the sale of real property or interests in real property specified in Section 3.1, the Acquiring Party shall pay the charges therefor as provided in Section 4.1(a) to the Selling Party upon the closing of the sale and transfer of such real property or interests therein;

(f) for the sale of tangible personal property specified in Section 3.2, the Selling Party shall invoice the Acquiring Party for the charges therefor as provided in Section 4.1(a);

(g) for the transfer of Dynegy Common Stock specified in Section 3.4, IPC shall pay the charges therefor as provided in Section 4.1(a) and such payment shall be made to Dynegy concurrently with the issuance and delivery of the shares of such stock; and

(h) for joint service costs under Section 5.3(a), Dynegy shall invoice IPC and any Dynegy Entities in competition with ARES for such costs as allocated to it using the methodology in Section 5.3(b).

ARTICLE V

Cost Apportionment Methodology

Section 5.1. *General Principles.* The following general principles shall be used in setting charges for transactions between IPC and Dynegy Entities:

(a) *Sales of Assets.* Asset sales between IPC and a Dynegy Entity shall be charged by the Selling Party to the Acquiring Party under a mechanism to reflect the fair market value of the asset as determined by an independent appraisal or other independent fair market value study, unless different pricing is required by law or regulation. If fair market value cannot be determined due to the absence of a market for the asset, the sale price shall be net book value, subject to the requirements of law or regulation.

(b) *Use of Facilities or Services.* (i) Facilities or services provided by IPC to a Dynegy Entity shall be charged by the Provider to the Requestor at: (1) the prevailing price for which the facility or service is provided for sale to the general public by the provider (i.e., the tariffed rate or other pricing mechanism approved by the ICC) or, if no such prevailing price exists, (2) the fully distributed cost (determined as provided in Section 5.2) incurred by the Provider in providing such facility or service to the Requestor. Notwithstanding the other sentences in this section, pursuant to 83 Ill. Adm. 450.120 (a), transactions between IPC and Dynegy Entities shall not be allowed to subsidize the Dynegy Entities.

(ii) Facilities or services provided by a Dynegy Entity to IPC shall be charged by the Provider to the Requestor at an amount not to exceed the fully distributed cost (determined as provided in Section 5.2) incurred in providing such facility or service.

(c) *Sales of Intangible Assets.* Intangible Asset sales between IPC and a Dynegy Entity shall be charged by the Selling Party to the Acquiring Party (i) under a mechanism to reflect the fair market value of the asset as determined by an independent appraisal or other independent fair market value study or, if no such fair market value is objectively or practicably determinable, (ii) at the fully distributed cost incurred to purchase or

develop the asset, adjusted to reflect imputed depreciation of, if applicable, and carrying costs on the unrecorded asset.

(d) *Sales of Dynegy Stock.* Dynegy stock sold to IPC shall be charged to IPC at the fair market value of the stock on the date of the transaction.

Costs shall be charged to a Party in accordance with these general principles using either a direct charge or an allocation methodology. Costs of assets or services specifically attributable to a Party should be charged directly to such Party. Joint and common costs not specifically attributable to a Party should be charged to the appropriate Parties based on specific allocation methodologies.

Section 5.2. *Fully Distributed Costs.* Costs charged on a fully distributed cost basis shall reflect the amounts of direct labor, direct materials and direct purchased services associated with the related asset or service as provided in subsections (a) and (b). These amounts shall be increased by a portion of indirect costs to reflect labor, administrative and general and other overhead amounts in accordance with either subsection (b) or subsection (c).

(a) *Direct Costs.* Costs incurred that are specifically attributable to a Party shall be directly charged to the appropriate account number.

(i) *Direct Labor.* Amounts of direct labor charged to a Party shall be based on an employee's direct labor rate, reflecting the effects of overtime.

For most employees, direct labor shall be charged to a Party whereby an employee shall report each pay period the number of hours incurred in performing activities for such Party. For bargaining unit employees, direct labor shall be charged based on the base and overtime pay amounts actually incurred under a Party's collective bargaining agreements. Likewise, for management employees who are compensated for overtime, direct labor shall be charged based on the actual pay amounts incurred for such employees, including overtime.

Some departments or individuals are expected to provide a recurring, predictable level of service to a Party or Parties. These departments or individuals shall determine a normal distribution of time to such Party or Parties. The distribution percentages shall be used to allocate time with respect to each pay period. Significant deviations of actual activity from these predetermined percentages shall be reported and shall result in adjustments to the predetermined distribution of direct labor charges. Officers of each Party shall also utilize this predetermined percentage methodology, when appropriate.

(ii) *Direct Materials and Purchased Services.* Amounts incurred for materials or purchased services directly attributable to a Party shall be charged directly to the appropriate account number for that Party.

(iii) *Costs of Facilities, Equipment, Machinery, Furniture, and Fixtures.* The costs allocated to any Party not allocated in Section 5.2(b) for the use of IPC's facilities, equipment, machinery, furniture or fixtures shall include an amount to reflect the cost of such assets (e.g., depreciation, operations, maintenance, etc.) and, for owned assets or assets leased under capital leases, a return equal to the rate of return on rate base most recently allowed to IPC by the ICC.

(b) *Indirect Costs.*

(i) *Labor Loading.* Direct labor charges apportioned to a Party shall be increased by a loading factor to reflect certain indirect costs such as paid absence and incentive compensation. The paid absence time factor reflects time incurred for vacations, holidays, sickness, jury duty and other paid absences.

(ii) *Benefits Loading.* Direct labor charges apportioned to a Party shall be increased by a loading factor to reflect the cost of employee benefits such as payroll taxes, pension, medical insurance, the company contribution to the 401(k) plan, postretirement health care costs, and the cost of administering employee benefit plans.

(c) *Bundled Costs.* Support departments may provide services to a Party or Parties at a predetermined hourly rate that incorporates costs of salary (including paid absence), supervision, training, tools and supplies, and any other costs necessary to perform the service. This rate will be established to meet the guidelines set forth in Section 5.1(b).

(d) *Allocated Costs.* Costs incurred that are not specifically attributable to a Party but that have joint benefit to two or more Parties shall be charged to the appropriate accounts based on specified allocation methodologies. The allocation methodologies used shall be reasonably based on cost causative or benefit derivation measures to ensure an equitable allocation among such Parties.

Section 5.3. *Dynegy Administrative and General Costs.* Costs which are applicable to Dynegy because they jointly benefit all subsidiaries will be accumulated on the books of Dynegy as Administrative and General costs. These costs will then be calculated for and charged to all Dynegy Entities.

(a) *Costs to be allocated.* To the extent they pertain to Dynegy, the costs to be allocated will include, but are not necessarily limited to:

- Shareholder Services
- Investor Relations
- Tax Compliance
- Board of Directors
- Corporate Secretary
- Accounting
- Corporate finance expenses for managing Dynegy's debt and cash
- Public Affairs Services
- Legal expenses

(b) *Allocation methodology.* The basis for the allocation of Dynegy costs will be the sum of total assets and gross payroll. That is, the sum of those two factors for IPC (or any Dynegy Entities in competition with ARES) divided by the total of those two factors for all Dynegy subsidiaries will yield the percentage of holding company expenses to be allocated to IPC (or that Dynegy Entity in competition with ARES). The allocation will occur monthly, using the prior quarter's allocation factors to allocate the Dynegy expenses incurred during the month.

ARTICLE VI

Limitations of Liability

Section 6.1. *No Warranties For Facilities or Services.* Each Party acknowledges and agrees that any facilities, equipment or capabilities made available, and any services provided, by a Provider to a Requester hereunder, are so made available or provided WITHOUT ANY WARRANTY (WHETHER EXPRESS, IMPLIED OR STATUTORY AND NOTWITHSTANDING ANY ORAL OR WRITTEN STATEMENT BY A PARTY'S EMPLOYEES, REPRESENTATIVES OR AGENTS TO THE CONTRARY) WHATSOEVER. ALL SUCH WARRANTIES (INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) ARE HEREBY DISCLAIMED AND EXCLUDED.

Section 6.2. *Limited Warranties For Asset Sales.* (a) Except as provided in Section 6.2(b), each Party acknowledges and agrees that any real property, interests in real property, tangible personal property or Intangible Assets sold and transferred in accordance with Article III is so sold and transferred WITHOUT ANY WARRANTY (WHETHER EXPRESS, IMPLIED OR STATUTORY AND NOTWITHSTANDING ANY ORAL OR WRITTEN STATEMENT BY A SELLING PARTY'S EMPLOYEES, REPRESENTATIVES OR

AGENTS TO THE CONTRARY) WHATSOEVER. ALL SUCH WARRANTIES (INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) ARE HEREBY DISCLAIMED AND EXCLUDED.

(b) In connection with a sale and transfer of real property, interests in real property, tangible personal property or Intangible Assets pursuant to Article III, the Selling Party shall be deemed to have represented and warranted to the Acquiring Party that: (i) title conveyed is good, (ii) conveyance of such title is authorized and rightful, and (iii) the title so conveyed is free and clear of all liens, claims, encumbrances or security interests of persons or entities claiming by or through the Selling Party, except, in the case of this clause (iii), as the Acquiring Party and the Selling Party may otherwise agree.

Section 6.3. *No Partnership.* The Parties acknowledge and agree that this Agreement does not create a partnership between, or a joint venture of, a Party and any other Party. Each Party is an independent contractor and nothing contained in this Agreement shall be construed to constitute any Party as the agent of any other Party except as expressly set forth in Section 2.3.

Section 6.4. *No Third Party Beneficiaries.* This Agreement is intended for the exclusive benefit of the Parties hereto and is not intended, and shall not be deemed or construed, to create any rights in, or responsibilities or obligations to, third parties.

ARTICLE VII

Termination

Any Party may terminate this Agreement as to it by providing at least 30 days prior written notice to the other Parties of the effective date of such termination. In addition, this Agreement shall terminate as to a Party upon the date that Dynegy determines that such Party shall no longer be a party to this Agreement and shall automatically terminate as to a Party upon the date that Dynegy ceases, directly or indirectly, to own equity securities in such Party. Any such termination shall not affect the terminating Party's accrued rights and obligations under this Agreement arising prior to the effective date of termination or its obligations under Section 9.4.

ARTICLE VIII

Confidential Information

Each Party shall treat in confidence all information which it shall have obtained regarding the other Parties and their respective businesses during the course of the performance of this Agreement. Such information shall not be communicated to any person other than the Parties to this Agreement, except to the extent disclosure of such information is required by a

governmental authority. If a Party is required to disclose confidential information to a governmental authority, such Party shall take reasonable steps to make such disclosure confidential under the rules of such governmental authority. Information provided hereunder shall remain the sole property of the Party providing such information. The obligation of a Party to treat such information in confidence shall not apply to any information which (i) is or becomes available to such Party from a source other than the Party providing such information, or (ii) is or becomes available to the public other than as a result of disclosure by such Party or its agents.

ARTICLE IX Miscellaneous

Section 9.1. *Entire Agreement; Amendments.* Upon its effectiveness, this Agreement shall constitute the sole and entire agreement among the Parties with respect to the subject matter hereof and shall supersede all previous agreements, proposals, oral or written, negotiations, representations, commitments and all other communications between some or all of the Parties, except the "Insurance Services Agreement," as amended from time to time. Except as provided in Section 9.2 with respect to new Parties and except that Dynegy may amend Exhibit A to this Agreement to delete any terminated Party, this Agreement shall not be amended, modified or supplemented except by a written instrument signed by an authorized representative of each of the Parties hereto.

Section 9.2. *New Parties.* Any other entity which is or may become an affiliate of Dynegy may become a Party to this Agreement by executing an agreement adopting all of the terms and conditions of this Agreement. Such agreement must be signed by Dynegy in order to become effective, but need not be signed by any other Party to this Agreement. Upon such execution by Dynegy, such entity shall be deemed to be a Party and shall be included within the definition of "Party" for all purposes hereof, and Exhibit A shall be amended to add such entity. IPC will provide to Staff of the ICC (in particular, the Director of Accounting), within 30 days after the end of the calendar quarter, a list of all services being provided by or to a new affiliate created during that quarter, all asset transfers to or from a new affiliate created during that quarter, and any new executed copies of this Agreement.

Section 9.3. *Assignment.* This Agreement may not be assigned by any Party without the prior written consent of Dynegy.

Section 9.4. *Access to Records.* During the term of this Agreement, each Party shall have reasonable access to and the right to examine any and all books, documents, papers and records which pertain to services and facilities provided by the other Parties under this Agreement to such Party, and such Party shall provide access to, and the opportunity to examine, all such records which pertain to services and facilities provided to the other Parties under this Agreement by such Party. Each Party shall maintain all such records relating to a given

transaction for a period of seven years after the transaction. In addition, during the term of this Agreement and for the same seven year period, the ICC shall have access to all accounts and records of such Dynegy Entity relating to transactions with IPC to the extent, and with the limitations, set forth in Section 7-101 of the Public Utilities Act. Accordingly, each Dynegy entity shall make available to IPC for the ICC's review pursuant to Section 7-101 such information as the ICC or its staff may deem necessary in order to review and verify both the amounts charged to IPC under this Agreement and the manner in which those amounts were derived.

Section 9.5. *Partial Invalidity.* Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable. In the event that it is determined that the charges for a particular transaction covered by this Agreement were not determined properly for any reason, such determination and/or finding shall not affect the validity of such transaction; *provided, however,* that if the transaction involved IPC and a Dynegy Entity, Dynegy (or, if Dynegy so determines, such Dynegy Entity) shall pay to or reimburse IPC, or IPC shall pay to or reimburse such Dynegy Entity, as the case may be, for the difference between the amount that was charged in connection with the transaction and the charge that is determined to be proper under the provisions of Article V.


Section 9.6. *Waiver.* Failure by any Party to insist upon strict performance of any term or condition herein shall not be deemed a waiver of any rights or remedies that such Party may have against any other Party nor in any way to affect the validity of this Agreement or any part hereof or the right of such Party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

Section 9.7. *Governing Law.* This Agreement shall be governed by, construed and interpreted pursuant to the laws of the State of Illinois.

IN WITNESS WHEREOF, the Parties have each caused this Agreement to be executed by a duly authorized representative as of the day and year first above written.


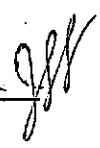
DYNEGY INC.

By:


Kenneth E. Randolph
Senior Vice President

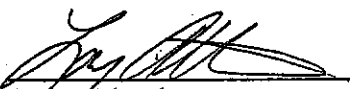
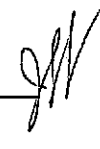
ILLINOVA CORPORATION

By:

 
Larry Altenbaumer
President

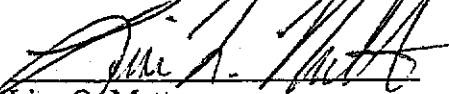
ILLINOIS POWER COMPANY

By:

 
Larry Altenbaumer
President

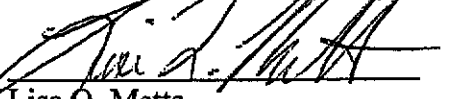
ILLINOVA GENERATING COMPANY

By:


Lisa Q. Metts
Vice President

ILLINOVA ENERGY PARTNERS, INC.

By:


Lisa Q. Metts
Vice President

ILLINOVA INSURANCE COMPANY

By:


Lisa Q. Metts
Vice President

ILLINOVA BUSINESS ENTERPRISES, INC.

By:


Lisa Q. Metts
Vice President


DYNEGY MIDWEST GENERATION, INC.

By:


Kenneth E. Randolph
Senior Vice President

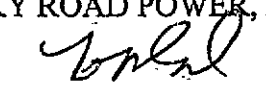
DYNEGY POWER CORP.

By:


Kenneth E. Randolph
Senior Vice President

ROCKY ROAD POWER, LLC

By:



Kenneth E. Randolph
Senior Vice President

RRP COMPANY


By:


Kenneth E. Randolph
Senior Vice President


TERMO SANTANDER HOLDING, L.L.C.

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY POWER DEVELOPMENT
COMPANY

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY POWER HOLDINGS, INC.

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY POWER SERVICES, INC.

By: 
Kenneth E. Randolph
Senior Vice President

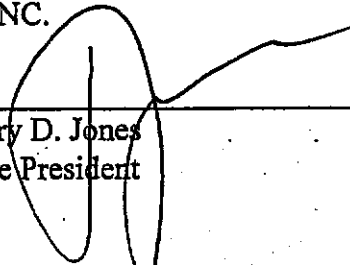
DYNEGY GLOBAL ENERGY, INC.

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY HOLDING COMPANY, L.L.C.

By: 
Kenneth E. Randolph
Senior Vice President


DMS LP, INC.

By: 
Terry D. Jones
Vice President


DYNEGY MIDSTREAM G.P., INC.

By: 
Kenneth E. Randolph
Senior Vice President

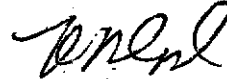
DYNEGY ENERGY, INC.

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY HOLDINGS INC.

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY MIDSTREAM MARKETING
COMPANY

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY REGULATED HOLDINGS, INC.

By: 
Kenneth E. Randolph
Senior Vice President


DMT HOLDINGS, INC.

By: 
Kenneth E. Randolph
Senior Vice President


DYNEGY CONSULTING SERVICES, INC.

By: 
Kenneth E. Randolph
Senior Vice President

DYNEGY GAS TRANSPORTATION, INC.

By: 
Kenneth E. Randolph
Senior Vice President

DYNEGY ENERGY SERVICES, INC.

By: 
Kenneth E. Randolph
Senior Vice President

DMT L.P., LLC

By:


Lisa Q. Metts
Vice President

DMT HOLDINGS, L.P.

By:


Lisa Q. Metts
Vice President

DYNEGY POWER MARKETING
AND TRADE

By:


Kenneth E. Randolph
Senior Vice President

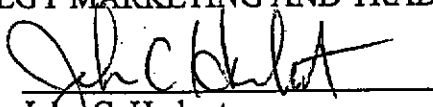
DYNEGY POWER MARKETING, INC.

By:


Kenneth E. Randolph
Senior Vice President


DYNEGY MARKETING AND TRADE

By:


John C. Herbert
Vice President

DYNEGY ADMINISTRATIVE SERVICES
COMPANY

By:


Kenneth E. Randolph
Senior Vice President

DYNEGY I.T., INC.

By:



Kenneth E. Randolph
Senior Vice President

EXHIBIT A

Entities
(in addition to Dynegy Inc.)

Illinova Corporation

Illinois Power Company

Illinova Generating Company

Illinova Energy Partners, Inc.

Illinova Insurance Company

Illinova Business Enterprises, Inc.

Dynegy Midwest Generation, Inc.

Dynegy Power Corp.

Rocky Road Power, LLC

RRP Company

Termo Santander Holding, L.L.C.

Dynegy Power Development Company

Dynegy Power Holdings, Inc.

Dynegy Power Services, Inc.

Dynegy Global Energy, Inc.

Dynegy Holding Company, L.L.C.

DMS LP, Inc.

Dynegy Midstream G.P., Inc.

Dynegy Energy, Inc.

Dynegy Holdings Inc.

Dynegy Midstream, L.L.C.

Dynegy Midstream Marketing Company

Dynegy Regulated Holdings, Inc.

DMT Holdings, Inc.

Dynegy Consulting Services, Inc.

Dynegy Gas Transportation, Inc.

Dynegy Energy Services, Inc.

DMT L.P., LLC

DMT Holdings, LP

Dynegy Power Marketing and Trade

Dynegy Power Marketing, Inc.

Dynegy Marketing and Trade


Dynegy Administrative Services Company

Dynegy I.T., Inc.

AGREEMENT TO BECOME PARTIES TO
THE SERVICES & FACILITIES AGREEMENT DATED JUNE 27, 2000

1. THIS AGREEMENT ("Agreement") is entered into as of the 31st day of October, 2000 between Dynegy Inc. ("Dynegy") and Illinois Power Energy Inc. ("IPE").
2. Pursuant to Section 9.2 of the Services & Facilities Agreement (dated June 27, 2000) among Dynegy, Illinois Power Company ("IPC") and Each of the Entities Identified on Exhibit A of that Agreement ("S&FA"), IPE (1) is an affiliated interest of Dynegy and IPC, and (2) hereby agrees to (a) become a party to the S&FA, (b) adopt all of its terms and conditions, and (c) abide by its terms and conditions as applicable.
3. Upon execution of this Agreement by all parties hereto, Exhibit A will be replaced with a new Exhibit A (rev. 2) as attached hereto.

DYNEGY INC.

By: 
Name: Kenneth Randolph
Title: General Counsel & Secretary

ILLINOIS POWER ENERGY INC.

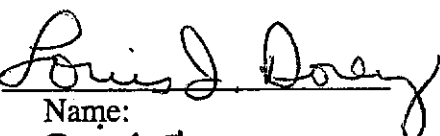
By: 
Name: Louis J. Doery
Title: President
Illinois Power Energy Inc

EXHIBIT A (rev. 2)

Entities
(in addition to Dynegy Inc.)

Illinova Corporation

Illinois Power Company

Illinova Generating Company

Illinova Energy Partners, Inc.

Illinova Insurance Company

Illinova Business Enterprises, Inc.

Illinova Power Marketing, Inc.

Dynegy Midwest Generation, Inc.

Dynegy Power Corp.

Rocky Road Power, LLC

RRP Company

Termo Santander Holding, L.L.C.

Dynegy Power Development Company

Dynegy Power Holdings, Inc.

Dynegy Power Services, Inc.

Dynegy Gas Services, Inc.

Dynegy Global Energy, Inc.

Dynegy Holding Company, LLC

DMS LP, Inc.

Dynegy Midstream G.P., Inc.

Dynegy Energy, Inc.

Dynegy Holdings Inc.

Dynegy Midstream, L.L.C.

Dynegy Midstream Marketing Company

Dynegy Regulated Holdings, Inc.

DMT Holdings, Inc.

Dynegy Consulting Services, Inc.

Dynegy Gas Transportation, Inc.

Dynegy Energy Services, Inc.

DMT L.P., LLC

DMT Holdings, LP

Dynegy Power Marketing and Trade

Dynegy Power Marketing, Inc.

Dynegy Marketing and Trade

Dynegy Administrative Services Company

Dynegy I.T., Inc.

Bluegrass Generation Company, L.L.C.

North American Energy Services


North American Energy Services Power Maintenance Resources, Inc.

Illinois Power Energy Inc.

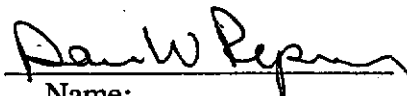
AGREEMENT TO BECOME PARTIES TO
THE SERVICES & FACILITIES AGREEMENT DATED JUNE 27, 2000

1. THIS AGREEMENT ("Agreement") is entered into as of the 31st day of October, 2000 among Dynegy Inc. ("Dynegy"), Bluegrass Generation Company, L.L.C. ("BGC"), North American Energy Services ("NAES") and North American Energy Services Power Maintenance Resources, Inc. ("PMRI").
2. Pursuant to Section 9.2 of the Services & Facilities Agreement (dated June 27, 2000) among Dynegy, Illinois Power Company ("IPC") and Each of the Entities Identified on Exhibit A of that Agreement ("S&FA"), BGC, NAES and PMRI each (1) are affiliated interests of Dynegy and IPC, and (2) hereby agree to (a) become parties to the S&FA, (b) adopt all of its terms and conditions, and (c) abide by its terms and conditions as applicable.
3. Upon execution of this Agreement by all parties hereto, Exhibit A will be replaced with a new Exhibit A (rev. 1) as attached hereto.

DYNEGY INC.

By: 
Name: Kenneth Randolph
Title: General Counsel & Secretary

BLUEGRASS GENERATION
COMPANY, L.L.C.

By: 
Name: _____
Title: President

NORTH AMERICAN ENERGY
SERVICES

By: _____
Name: _____
Title: _____

NORTH AMERICAN ENERGY
SERVICES POWER MAINTENANCE
RESOURCES, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A (rev. 1)

Entities
(in addition to Dynegy Inc.)

Illinova Corporation

Illinois Power Company

Illinova Generating Company

Illinova Energy Partners, Inc.

Illinova Insurance Company

Illinova Business Enterprises, Inc.

Illinova Power Marketing, Inc.

Dynegy Midwest Generation, Inc.

Dynegy Power Corp.

Rocky Road Power, LLC

RRP Company

Termo Santander Holding, L.L.C.

Dynegy Power Development Company

Dynegy Power Holdings, Inc.

Dynegy Power Services, Inc.

Dynegy Gas Services, Inc.

Dynegy Global Energy, Inc.

Dynegy Holding Company, LLC

DMS LP, Inc.

Dynegy Midstream G.P., Inc.

Dynegy Energy, Inc.

Dynegy Holdings Inc.

Dynegy Midstream, L.L.C.

Dynegy Midstream Marketing Company

Dynegy Regulated Holdings, Inc.

DMT Holdings, Inc.

Dynegy Consulting Services, Inc.

Dynegy Gas Transportation, Inc.

Dynegy Energy Services, Inc.

DMT L.P., LLC

DMT Holdings, LP

Dynegy Power Marketing and Trade

Dynegy Power Marketing, Inc.

Dynegy Marketing and Trade

Dynegy Administrative Services Company

Dynegy I.T., Inc.

Bluegrass Generation Company, L.L.C.

North American Energy Services

North American Energy Services Power Maintenance Resources, Inc.